

# DEPARTMENT OF MANAGEMENT AND BUDGET

## FAIRFAX COUNTY ECONOMIC INDICATORS ©

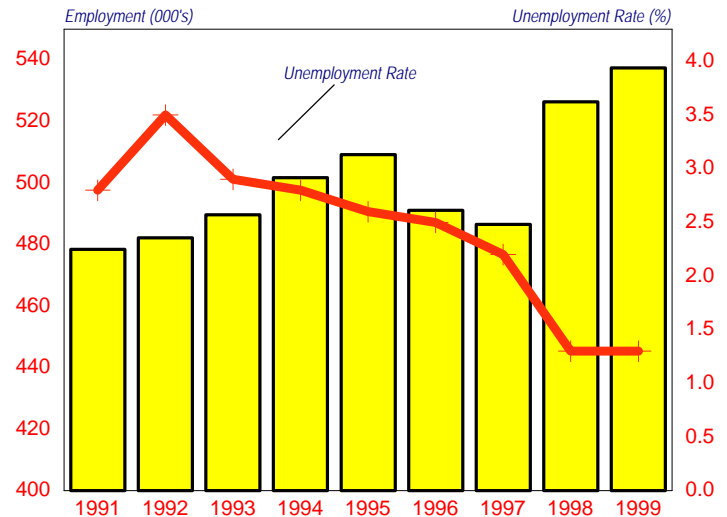
Publication 86

JUNE 1999

### JUNE HIGHLIGHTS

- ❑ A low unemployment rate continues to prevail in the County, with just 1.3 percent of the County's labor force unemployed in April.
- ❑ Retail activity was quite varied throughout Northern Virginia in April. The County registered an increase of just 2.7, while other area jurisdictions experienced changes ranging from down 3.6 percent to up 24.5 percent.
- ❑ County issues of residential dwelling permits underperformed that of last year for the first time in 1999 in May. This decline is due entirely to the multifamily component. Despite the stall, issues through May exceed that of 1998 by a significant 54.6 percent margin.
- ❑ On the national level, issues of residential building permits through May are surpassing that of last year by 6.4 percent.
- ❑ Based on sales data through April, the median prices of all types of homes are exceeding the levels established in 1998.
- ❑ The Conference Board's South Atlantic Consumer Confidence Index added a mere 0.5 points in May, increasing to 139.7, and continues to trail the prior year's level.
- ❑ The Fairfax County Coincident Index, as well as the Metropolitan Coincident and Virginia Indices, declined in April, as did the respective leading indices.

### RESIDENTIAL EMPLOYMENT - APRIL



Source: Virginia Employment Commission  
Compiled by the Fairfax County Dept. of Management and Budget

**Unemployment remains low in area...**

In April, the County registered an unemployment rate of 1.3 percent, according to the Virginia Employment Commission (VEC). This rate represents a slight decline of 0.1 percentage point from March's 1.4 percent. A similar rate was registered one year ago in April. Data from the VEC indicate that 537,399 County residents were employed in April, up 2.1 percent, or 11,006 jobs, over April 1998.

**National unemployment rate edges up slightly in April...**

The Commonwealth's unemployment rate also declined in April, dropping 0.2 percentage points to 2.4 percent, as reported by the VEC. The Bureau of Labor Statistics reported that the national unemployment rate edged up slightly in April, increasing 0.1 percentage point to 4.3 percent.

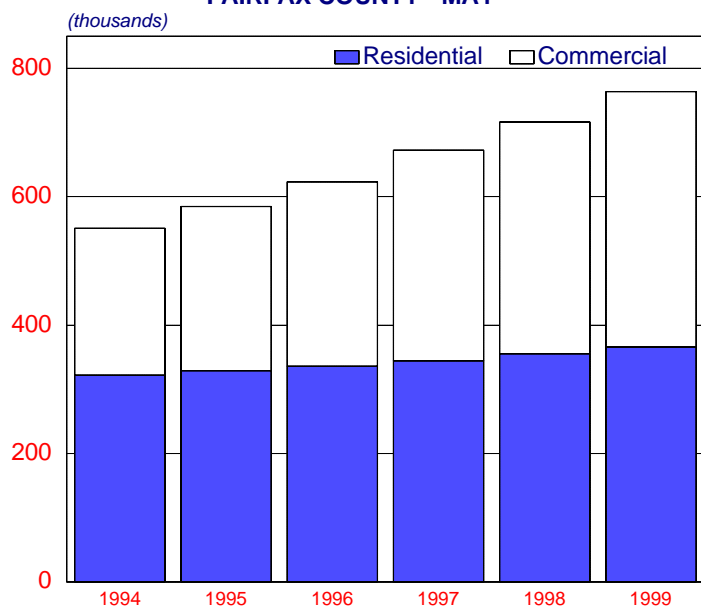


The *Fairfax County Economic Indicators* is on the Web and can be accessed at:

<http://www.co.fairfax.va.us/comm/economic/economic.htm>



### BELL ATLANTIC TELEPHONE LINES FAIRFAX COUNTY - MAY



Source: Bell Atlantic  
Compiled by the Fairfax County Dept. of Management and Budget

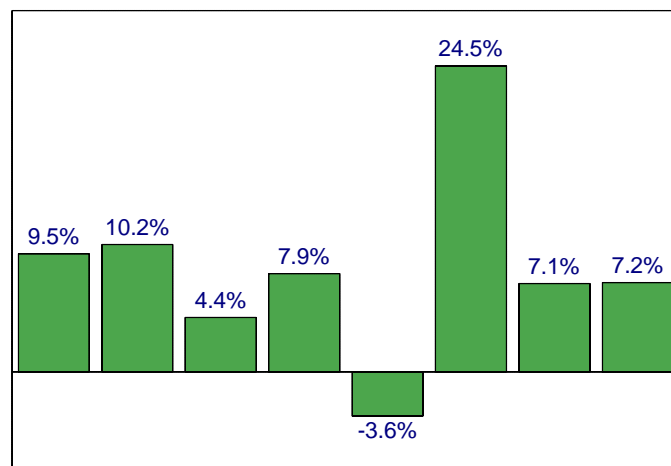
*More phone lines  
added in May...*

As of May 31, 1999, Bell Atlantic, the primary provider of local telephone service in Fairfax County, maintained 763,893 telephone lines, up 47,206 lines, or 6.6 percent, over May 1998. The business sector continues to fuel this growth, adding 36,377 new telephone lines for an increase of 10.1 percent over the prior year. Residential telephone lines totaled 366,111 as of May 1999 and topped last year by 10,829 lines, or 3.1 percent.

*County's June Sales Tax  
receipts top prior year by  
only 2.7 percent...*

Contrary to recent trends, Fairfax County's June Sales Tax, representing retail purchases made in April, topped that of the prior year by a slim 2.7 percent margin. Including the \$9.8 million received in April, the County's fiscal year Sales Tax receipts to date total \$105.9 million and lead the prior year by 9.5 percent.

### FY 1999 SALES TAX RECEIPTS -THROUGH JUNE

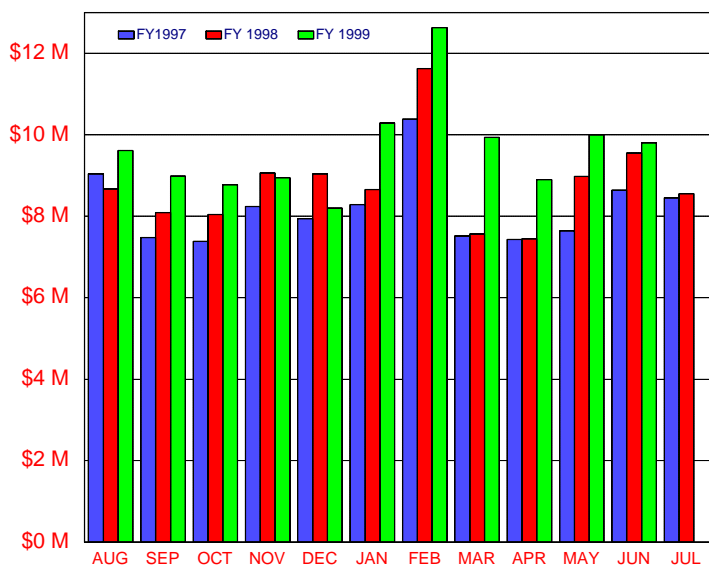


Fairfax County  
Alexandria  
Arlington  
Fairfax City  
Falls Church  
Loudoun  
Prince William  
Commonwealth

Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

### SALES TAX REVENUES

(revenues represent retail sales two months prior)

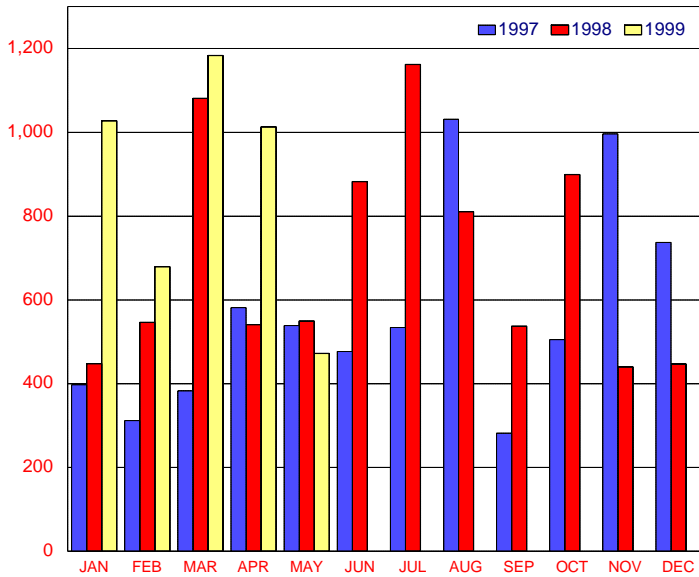


Source: Virginia Department of Taxation  
Compiled by the Fairfax County Dept. of Management and Budget

*Retail activity varied  
throughout Northern  
Virginia in April...*

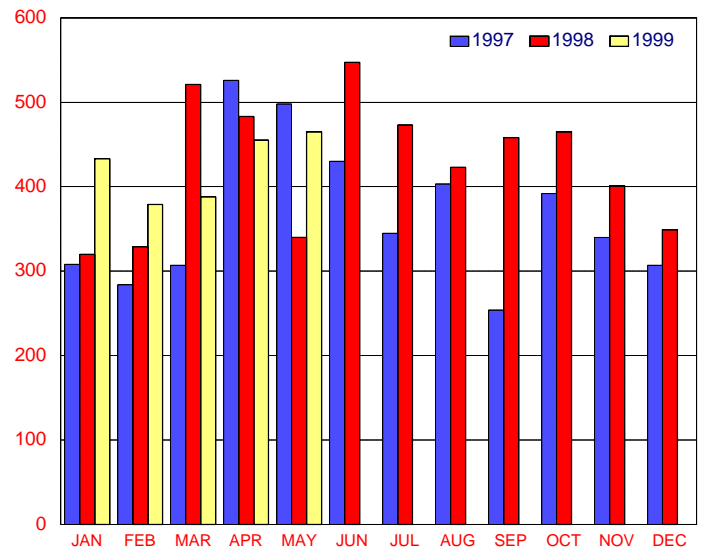
Retail activity was varied throughout Northern Virginia in April, according to June Sales Tax receipt data from the Virginia Department of Taxation, with some jurisdictions registering declines relative to last year. To date, cumulative fiscal year Sales Tax receipts through June are up 24.5 percent in Loudoun, 10.2 percent in Alexandria, 7.9 percent in Fairfax City, 7.1 percent in Prince William, and 4.4 percent in Arlington. By contrast, Falls Church Sales Tax receipts through June trail last year by 3.6 percent. On the whole, Sales Tax receipts in the Commonwealth advanced a slight 2.6 percent in June. This is the slowest pace in six months. Despite the meager increase, the Commonwealth's cumulative Sales Tax receipts through June lead the prior fiscal year by a 7.2 percent margin.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW DWELLINGS



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW SINGLE FAMILY DWELLINGS



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

*Issues of residential dwelling permits dip for first time in 1999 in May....*

For the first time this year, May issues of new residential dwelling permits fell slightly short of the level established last year. Despite the

stall, the 4,374 permits issued to date exceed that of 1998 by a significant 54.6 percent margin, or 1,544 permits. May's decline is due to weak performance in the multifamily component, which, ironically, is also responsible for the majority of the year to date lead. Issues of multifamily residential dwelling permits total 2,254 through May and lead last year by 103.8 percent, or 1,148 permits. Permit issues for single family structures total 2,120 thus far in 1999 and are up 23.0 percent, or 396 permits.

Strong performance in May nearly erased the deficit established previously in issues of residential repair and alteration permits. Through May, 4,701 permits have been issued, just 0.4 percent, or 19 permits, fewer than the same time last year.

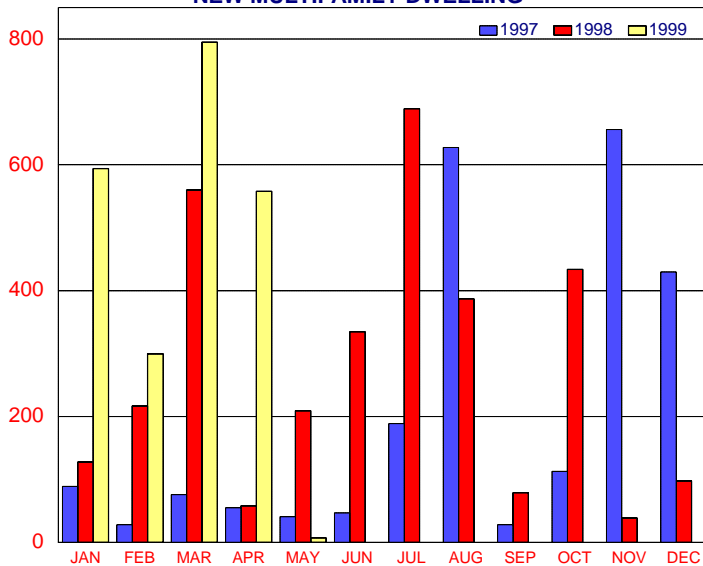
*Housing starts up 9.4 percent nationwide through May...*

On the national level, new privately owned housing units started during the first five months of 1999 are surpassing that of last year by 9.4 percent, according to the Commerce Department. Regionally, the South is registering greatest lead with an increase of 13.3 percent, followed by gains of 6.8 percent in the West, 5.9 percent in the Midwest, and 3.7 percent in the Northeast.

*Issues of residential building permits up 6.4 percent on national level through May....*

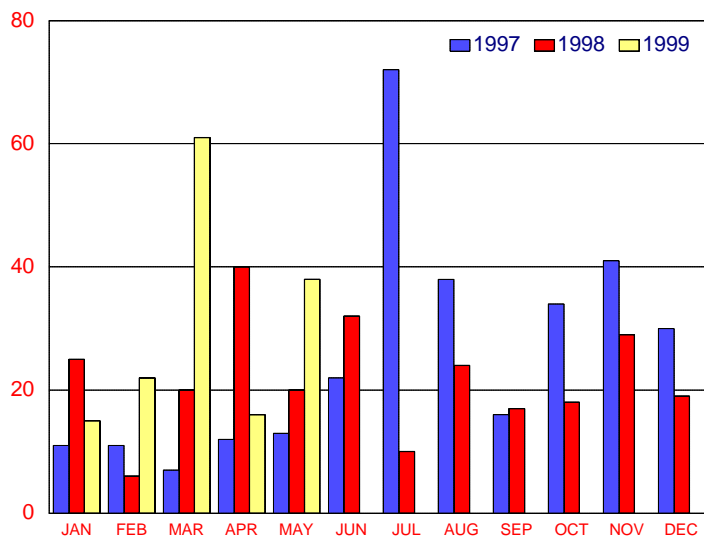
The Commerce Department also reported that the number of residential building permits issued nationwide through May exceeded that of 1998 by 6.4 percent. Residential building permit issues are up 9.2 percent in the Northeast, 7.1 percent in the South, 6.8 percent in the Midwest, and 3.7 percent in the West.

### NUMBER OF RESIDENTIAL BUILDING PERMITS NEW MULTIFAMILY DWELLING



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

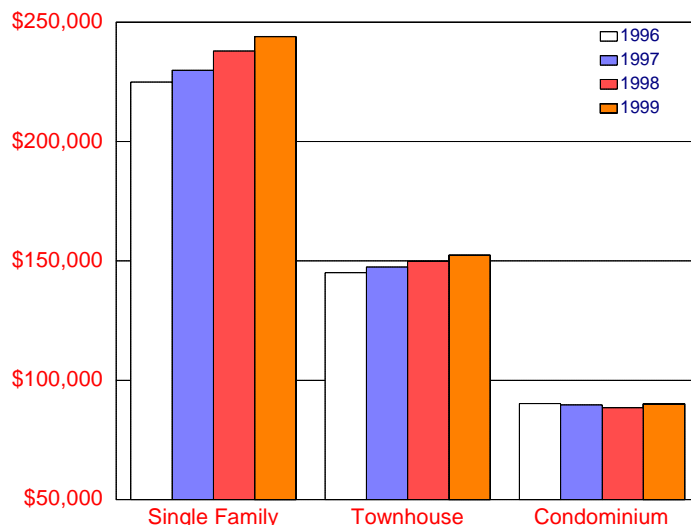
### NUMBER OF NONRESIDENTIAL BUILDING PERMITS NEW STRUCTURES



Source: Department of Public Works and Environmental Services  
Compiled by the Fairfax County Dept. of Management and Budget

### HOME SALES IN FAIRFAX COUNTY

#### MEDIAN PRICE OF EXISTING HOMES SOLD JANUARY-APRIL 1999 COMPARED TO ANNUAL MEDIAN PRICES 1996 - 1998



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

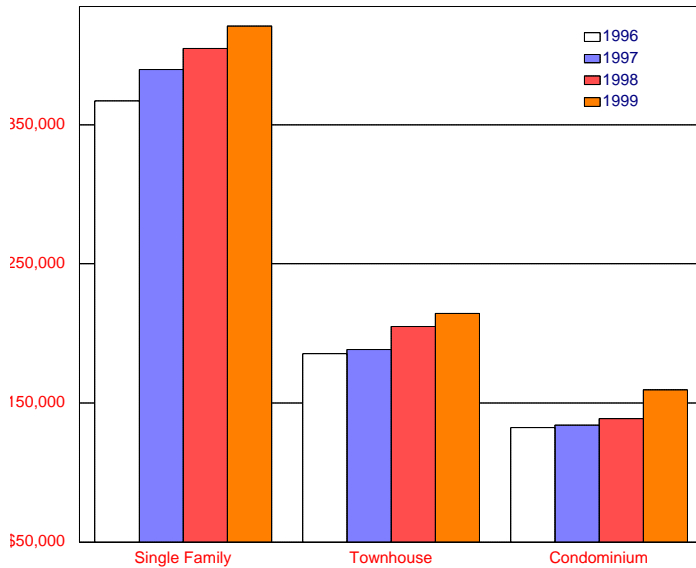
#### *Issues of nonresidential building permits resume positive track in May...*

The number of nonresidential building permits issued increased in May, thereby resuming the positive trend that was interrupted in April. To date, the 152 nonresidential permits issued lead last year by 36.9 percent, or 41 permits. Through May, 1,637 nonresidential repair and alteration permits have been issued, up 2.3 percent, or 36 permits, over the same period last year.

#### *Existing homes selling at higher prices...*

Based on sales data through April, the median selling prices of all types of existing homes are exceeding the levels established in 1998. Please note, however, that these data reflect only a few months of sales and are subject to revision as staff verifies each transaction. The median selling price of existing single family homes is up 2.5 percent, or \$6,000, to \$244,000, based on sales data for the first four months of the year. Through April, existing condominiums have sold for a median price of \$90,000, up \$1,500, or 1.7 percent, from the \$88,500 registered in 1998. Similarly, existing townhomes have sold for a median price of \$152,475 thus far in 1999, up 1.7 percent, or \$2,575, from 1998's \$149,900.

### MEDIAN PRICE OF NEW HOMES SOLD JANUARY-APRIL 1999 COMPARED TO ANNUAL MEDIAN PRICES 1996 - 1998

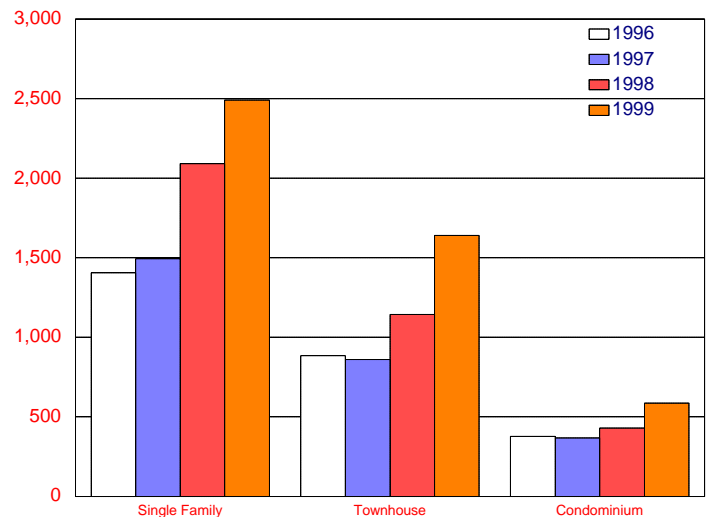


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Advance in median selling price of new condominiums...*

Sales data for the four months of 1999 indicate increases in the median selling prices of all types of new homes, with the most significant advance being registered by new condominiums. As mentioned earlier, these data reflect only a few months of sales and are subject to revision as staff verifies each transaction. The median selling price of new condominiums, for example, has increased 14.9 percent, or \$20,734, to \$159,524 from 1998's \$138,790. Through April, a median selling price of \$214,435 has been established for new townhomes, up 4.6 percent, or \$9,435, compared to the \$205,000 established in 1998. The median price of new single family homes sold through April indicate an advance of 4.0 percent, or \$16,102, to \$421,067 from 1998's \$404,965.

### NUMBER OF EXISTING HOMES SOLD JANUARY-APRIL 1996-1999



Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

*Sales volumes up through April for all types of existing homes...*

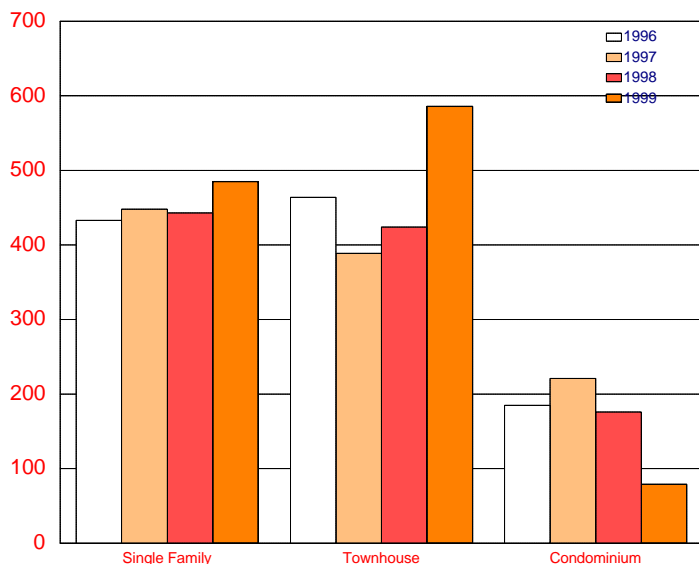
### PERCENTAGE CHANGE IN MEDIAN PRICE OF HOMES SOLD JANUARY- APRIL 1999 COMPARED TO 1998 ANNUAL

	Existing Sales	New Sales
Single Family	2.5	4.0
Townhouse	1.7	4.6
Condominium	1.7	14.9

Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

Low interest rates and positive economic prospects continue to fuel increases in real estate activity. As a result, the sales volumes of all types of existing homes in the first four months of 1999 have outpaced the impressive levels established last year by significant margins. The 1,640 existing townhomes sold through April exceed the prior year by 43.5 percent, or 497 homes. Similarly, 586 existing condominiums were sold, up 36.6 percent, or 157 units, compared to the same period in 1998, and the 2,491 existing single family homes sold top last year by 23.3 percent, or 471 homes.

### NUMBER OF NEW HOMES SOLD JANUARY-APRIL 1996-1999

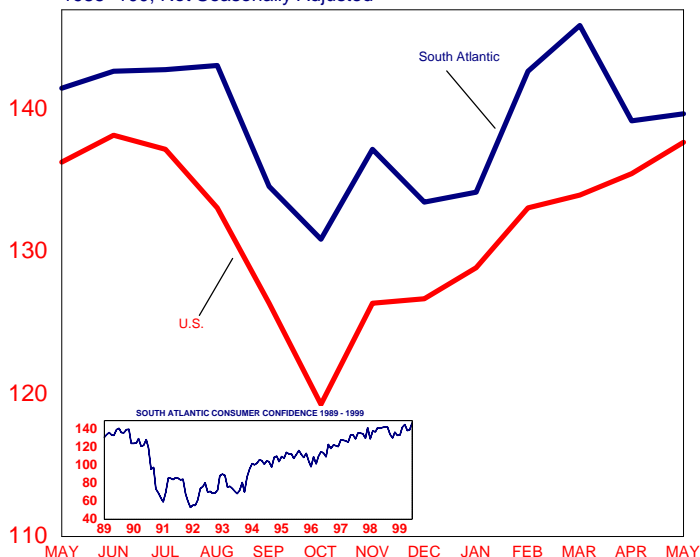


Source: Department of Tax Administration  
Compiled by the Fairfax County Dept. of Management and Budget

### ADDITIONAL INDICATORS

#### CONSUMER CONFIDENCE INDICES

1985=100, Not Seasonally Adjusted



Source: Conference Board  
Compiled by the Fairfax County Dept. of Management and Budget

*Only new condominiums exhibit slower sales volume relative to last year through April...*

For the first four months of 1999, increases have been registered in the sales volumes of new single family homes and townhomes. A total of 586 new townhomes were sold through April, reflecting an increase of 38.2 percent, or 162 units, compared to the same period in 1998. Additionally, 485 new single family homes were sold thus far in 1999, topping last year by 9.5 percent, or 42 units. By contrast, the 79 new condominiums sold during through April trail the same period in 1998 by 55.1 percent, or 97 units.

*New home sales on national level up 6.6 percent through April...*

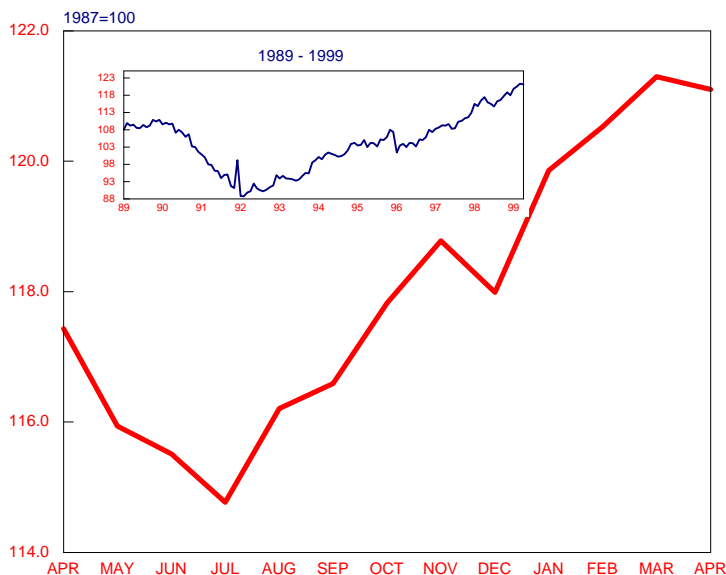
According to data from the Commerce Department, sales of new single family homes through April outpaced that of last year by 6.6 percent nationwide. Performance is quite varied on a regional basis, however, with the South and the West registering gains of 9.8 percent and 8.5 percent, respectively. The Midwest is up a mere 1.7 percent through April and sales in the Northeast are actually falling short of last year by a 6.9 percent margin.

*South Atlantic Consumer Confidence Index advances 0.5 points in May...*

Although the Conference Board's South Atlantic Consumer Confidence Index added 0.5 points in May and rose to 139.7, the Index trails last May by 1.8 points. The national Consumer Confidence Index gained 2.2 points in May, rising to 137.7.

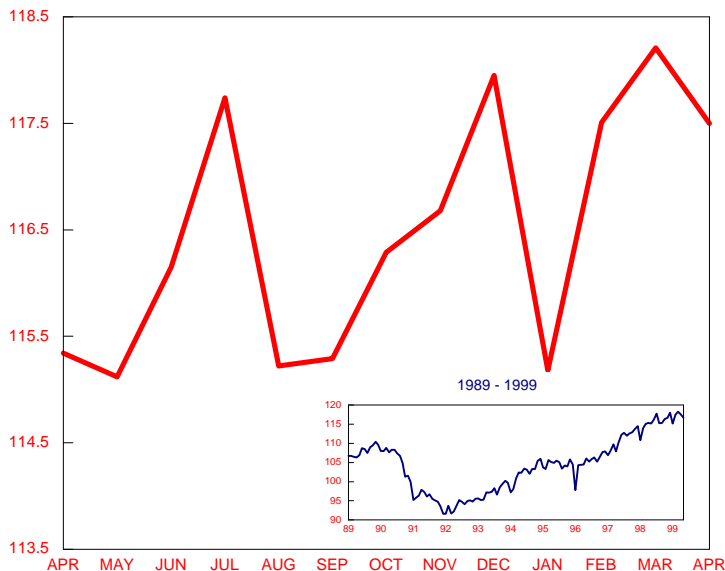
The following section includes a discussion of economic indices for three different geographic entities. The coincident indices assess current economic performance, while the leading indices signal what economic conditions will be in nine to 12 months for the respective economies. Fairfax County's Indices are discussed first, followed by the Metropolitan Indices, which consider the Washington Metropolitan economy, and the Virginia Indices which focus on the entire Commonwealth. Together, these indices are intended to provide a broad assessment of the economic climate confronting, and likely to impact, County residents and businesses.

### FAIRFAX COUNTY COINCIDENT INDEX



Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

### METROPOLITAN COINCIDENT INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

#### County economy stalls in April...

The Fairfax County Coincident Index, which represents the current state of the County's economy, slipped 0.2 percent to 121.14 in April. The Index has gained 3.2 percent over the past 12 months. Three of the Index's four components contributed to its decline in April. Consumer confidence fell after peaking in March; Sales Tax receipts, adjusted for inflation and seasonal variation, dropped for the second time in four months; and, Transient Occupancy Tax collections, adjusted for inflation and seasonal variation, were down for the third time in four months. On the positive side, total employment was up sharply in April and has increased each month this year.



#### Metropolitan Coincident Index dips in April...

In April, the Metropolitan Coincident Index, which reflects the current state of the Washington Metropolitan area economy, erased March's 0.7 point advance and declined to 117.50. Three of the Index's four components are responsible for this decline. Consumer confidence posted the most significant reduction, followed closely by non-durable goods sales. Domestic airport traffic at Ronald Reagan National Airport was also negative in April, while total wage and salary employment made a small advance.

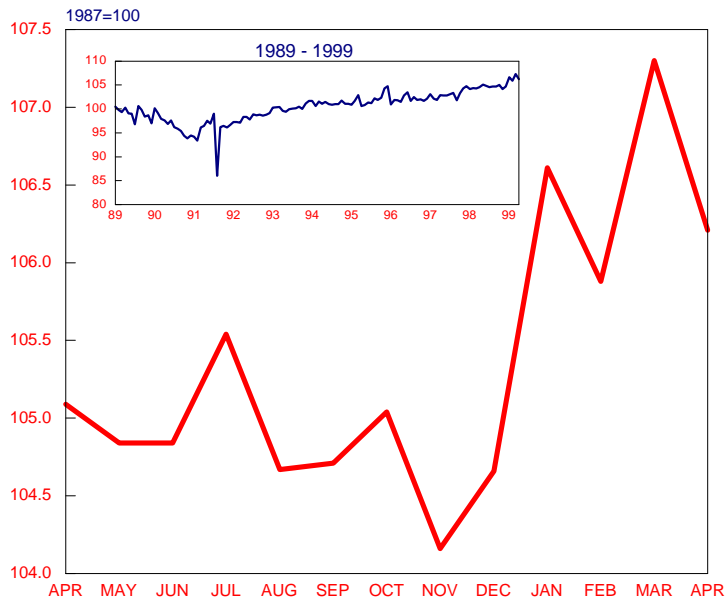


#### Decline registered in Crestar Bank's April Coincident Index...

Crestar Bank's Virginia Coincident Index declined 0.9 percent to 157.3 in April. Over the past 12 months, the Index has gained 2.3 points, or 1.5 percent. Four of the Index's six components contributed to the decline in April, including real average hourly wage, manufacturing employment, real taxable retail sales, and the Electricity Consumption Index. By contrast, total non-farm employment and real bank deposits gained in April.

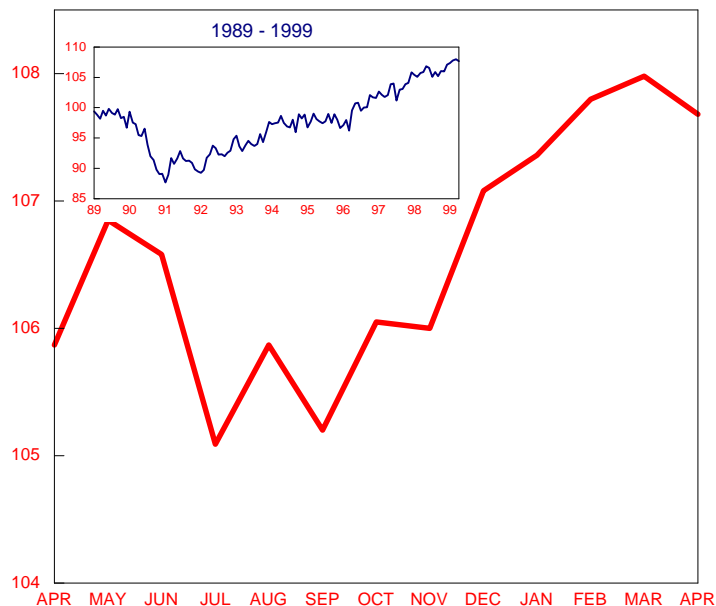


## FAIRFAX COUNTY LEADING INDEX



Sources: Center for Regional Analysis, George Mason University  
Fairfax County Dept. of Management and Budget

## METROPOLITAN LEADING INDEX



Source: Center for Regional Analysis, George Mason University  
Compiled by the Fairfax County Dept. of Management and Budget

### County's Leading Index loses ground in April...

The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy 9 to 12 months in the future, declined 1.01 percent to 106.21 in April. This month's decline is the largest in more than a year. It should be noted, however, that the Index has followed a strong upward trend since December. In April, four of the Index's five components made negative contributions. Initial claims for unemployment insurance increased sharply (worsened) following four months of decline; consumer expectations (confidence six months hence) fell after posting advances for three consecutive months; residential building permits slipped; and, new automobile registrations dipped after gaining sharply in March. Following two months of declines, the total value of residential building permits increased in April.



### Metropolitan Leading Index dips in April...

The Metropolitan Leading Index, which is designed to forecast local economic performance in the Washington Metropolitan area 9 to 12 months in advance, lost 0.3 points in April and declined to 107.68. The positive performance demonstrated in the employment components (the Help Wanted Index and initial unemployment claims) was not enough to offset declines in building permit issues, consumer expectations (consumer confidence six months hence), and durable goods sales.



### Crestar Bank's Virginia Leading Index slips in April...

The Virginia Leading Index, produced by Crestar Bank, slipped 0.2 percent in April to 169.9. Over the past 12 months, the Index has climbed 3.4 points, or 2.0 percent. April's decline is attributable to five of the Index's nine components. New automobile registrations registered the largest decline, followed by new business starts, residential building permits, newspaper ad lineage and the U.S. Leading Index. By contrast, the Virginia stock value, real nonresidential building contracts, initial unemployment claims and the average weekly hours in manufacturing all advanced in April.

*Inquiries should be directed to:*

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